

HYCON MFG. COMPANY

2961 East Colorado Street

Pasadena 8, California

10 July 1956

Reference: Letter Contract No. BC-200

Gentlemen:

On 1 May 1956 a letter of intent was written with Hycon Mfg. Company for the supply of certain equipment. Immediate expenditures were initiated on this program at a rate sufficient to insure delivery as desired.

It is Hycon Mfg. Company's banking policy to assign receivables on all major contracts. For security reasons it is undesirable to assign this contract, and it is therefore proposed that an advance payment in the amount of two hundred fifty thousand dollars (\$250, 000) be made available.

It is further proposed that the advance payment will be liquidated against deliveries of the contract items as invoiced.

Since the initiation of expenditures at 1 May 1956 and at the anticipated rate of expenditures until our deliveries begin to liquidate the advance, it is anticipated that the proposed amount of two hundred fifty thousand dollars (\$250, 000) is required to replace normal bank financing.

We will appreciate any assistance you can provide us in this matter.

Very truly yours,

HYCON MFG. COMPANY

FOIAb3a


Executive Vice President

RHP/pe

